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CALIFORNIA  
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June 30, 2003

To: Charter School Administrators

From: Janet Sterling, Director  
School Fiscal Services Division

Subject: Charter School Facility Grant Program

The Charter School Facility Grant Program was enacted by Senate Bill (SB) 740 (Chapter 892, Statutes of 2001, *Education Code* Section 47614.5) for the purpose of providing assistance with facilities rent and lease expenditures for charter schools that meet certain eligibility criteria. Eligible charter schools may receive reimbursement for facilities rent and lease costs in an amount of up to \$750 per unit of classroom-based average daily attendance (ADA), as certified at the 2002-03 second principal apportionment, but no more than 75 percent of their total annual facilities rent and lease costs. If there are insufficient funds to reimburse all eligible charter schools at the maximum level, the funding provided to each school will be reduced on a pro-rata basis.

To be eligible for reimbursement, a charter school site must be geographically located within the attendance area of a public elementary school in which at least 70 percent of the pupil enrollment is eligible for free or reduced price meals, or serving a pupil population that meets or exceeds 70 percent eligibility for free and reduced price meals. Charter schools occupying existing school district or county office of education facilities and charter schools receiving reasonably equivalent facilities from their chartering authority pursuant to *Education Code* Section 47614 (Proposition 39) are not eligible for reimbursement.

Additional conditions of the Charter School Facility Grant Program provide that: 1) charter schools receiving funding through this program that have exceeded their enrollment capacity must extend admissions preference to those students currently attending the charter school and to those students who reside in the elementary school attendance area in which the charter school is located, and 2) charter schools relocating to the attendance area of an eligible elementary school must give admissions preference to the students who reside in the eligible elementary school's attendance area. These conditions are intended to ensure that the needs of students residing in predominantly financially disadvantaged areas are also being met.

To apply for reimbursement funding for expenditures incurred during the 2002-03 fiscal year, charter schools must submit a 2002-03 Application for Eligibility and a 2002-03 Facility Expenditure Report. Even if you received funding under this program for 2001-02, you must establish eligibility for 2002-03. Multi-site charters must submit a separate application form for each site for which they are seeking reimbursement. Copies of these forms are enclosed and may also be found on our Web site at: <<http://www.cde.ca.gov/charter>>. These forms must be **received** by the California Department of Education (CDE) by August 11, 2003. Please mail completed forms to:

California Department of Education  
Charter Schools Office  
1430 N Street, Suite 3800  
Sacramento, CA 95814  
ATTN: Kathy Mathews

We will determine the eligibility of your school for this program based on the application for eligibility and the Free and Reduced Price Meals data on file at the CDE. Your facility expenditure report will only be considered if your school is eligible based on the Free and Reduced Price Meals data.

We will determine the amount of reimbursement after all eligible applicants have submitted their applications and expenditure reports. All information provided on the application and expenditure report is subject to audit to ensure compliance with program requirements. You should only report expenditures that meet the definitions of allowable expenditures. Facilities costs that do not meet the standard of eligibility should not be reported. Therefore, please refer to the enclosed instructions and the California School Accounting Manual (CSAM) for information about allowable costs before completing the expenditure report. The CSAM is available on the Internet at: <<http://www.cde.ca.gov/fiscal/sacs/csam/>>.

It is anticipated that funding will be distributed in the fall of 2003; however, distribution of funding will be contingent upon approval of the 2003-04 budget.

If you have any questions about this letter or the Charter School Facility Grant Program, please contact Kathy Mathews at (916) 322-6029 or by e-mail at [kmathews@cde.ca.gov](mailto:kmathews@cde.ca.gov).

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Enclosure

cc: District and County Superintendents